



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE
ALLEGHENY CASUALTY COMPANY

NAIC Group Code 0225, 4705, NAIC Company Code 13285, Employer's ID Number 25-0315340
(Current Period) (Prior Period)

Organized under the Laws of New Jersey, State of Domicile or Port of Entry New Jersey

Country of Domicile US

Incorporated/Organized December 31, 2015, Commenced Business April 21, 1936

Statutory Home Office One Newark Center, 20th Floor, Newark, New Jersey 07102
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office One Newark Center, 20th Floor, Newark, New Jersey 07102, 800-333-4167
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address One Newark Center, 20th Floor, Newark, New Jersey 07102
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Newark Center, 20th Floor, Newark, New Jersey 07102, 800-333-4167
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.ific.com

Statutory Statement Contact Maria Dulce Costa, 973-776-8462
(Name) (Area Code) (Telephone Number) (Extension)

DCosta@IFIC.com, 973-733-2839
(E-Mail Address) (Fax Number)

OFFICERS

David Gerald Pirrung (President)
Michael David Blinson (Secretary)
John Michael Mruk (Treasurer)

OTHER OFFICERS

Adrian Oddi George Robert James Frank John Tanzola

DIRECTORS OR TRUSTEES

Todd Eugene Bateson William Eugene Cunningham David Gerald Pirrung
Michael David Blinson Alisa Lyon Miller Kenneth Charles Coon
James Robert Miller

State of North Carolina }
County of Wake } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions there from for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

David Gerald Pirrung
President

Michael David Blinson
Secretary

John Michael Mruk
Treasurer

Subscribed and sworn to before me this
22nd day of February, 2019

a. Is this an original filing? Yes (X) No ()

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	17,210,856		17,210,856	21,600,299
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 6,914,030 , Schedule E-Part 1) , cash equivalents (\$ 7,882,165 , Schedule E-Part 2) and short-term investments (\$, Schedule DA)	14,796,195		14,796,195	12,344,753
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	32,007,051		32,007,051	33,945,052
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	105,000		105,000	108,044
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,162,203	404,380	757,823	694,883
15.2 Deferred premiums , agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,255,433		1,255,433	1,078,655
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	127,057	79,049	48,008	214,896
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment , including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent , subsidiaries and affiliates	46,354		46,354	57,862
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	34,703,098	483,429	34,219,669	36,099,392
27. From Separate Accounts , Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	34,703,098	483,429	34,219,669	36,099,392
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	219	185
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	351	365
4. Commissions payable, contingent commissions and other similar charges	181,084	185,929
5. Other expenses (excluding taxes, licenses and fees)	34,707	25,072
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	230,469	234,273
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	199,551	296,864
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 2,325,515 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	228,605	244,903
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,137,054	1,496,696
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14. Amounts withheld or retained by company for account of others	8,483,328	10,936,997
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 3 Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	72,274	37,109
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	10,567,642	13,458,393
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	10,567,642	13,458,393
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	1,500,000	1,500,000
31. Preferred capital stock	3,200,000	3,200,000
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	1,669,529	1,669,529
35. Unassigned funds (surplus)	20,482,498	19,471,470
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 32,000 shares preferred (value included in Line 31 \$ 3,200,000)	3,200,000	3,200,000
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	23,652,027	22,640,999
38. Totals (Page 2, Line 28, Col. 3)	34,219,669	36,099,392
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

STATEMENT OF INCOME

UNDERWRITING INCOME		1	2
		Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4)	30,254,743	29,393,531
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 35, Column 7)	34	(729)
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	3,881	3,154
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	29,622,067	28,784,853
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Lines 2 through 5)	29,625,982	28,787,278
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	628,761	606,253
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	385,828	295,041
10.	Net realized capital gains (losses) less capital gains tax of \$	(53,734)	6,196
11.	Net investment gain (loss) (Lines 9 plus 10)	332,094	301,237
OTHER INCOME			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$	698	amount charged off \$
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income		13
15.	Total other income (Lines 12 through 14)	697	1,058
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8+11+15)	961,552	908,548
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	961,552	908,548
19.	Federal and foreign income taxes incurred	198,635	295,948
20.	Net income (Line 18 minus Line 19) (to Line 22)	762,917	612,600
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	22,640,999	22,843,977
22.	Net income (from Line 20)	762,917	612,600
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(92,163)	(44,867)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	340,274	(270,711)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
32.1	Paid in		
32.2	Transferred from surplus (Stock Dividend)		
32.3	Transferred to surplus		
33.	Surplus adjustments:		
33.1	Paid in		
33.2	Transferred to capital (Stock Dividend)		
33.3	Transferred from capital		(60,000)
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)		(440,000)
37.	Aggregate write-ins for gains and losses in surplus		
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	1,011,028	(202,978)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	23,652,027	22,640,999
DETAILS OF WRITE-INS			
0501.	.....	
0502.	.....	
0503.	.....	
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401.	Miscellaneous Income		13
1402.	.....	
1403.	.....	
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		13
3701.	.....	
3702.	.....	
3703.	.....	
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	30,230,864	29,221,599
2. Net investment income	415,024	314,018
3. Miscellaneous income	10,092	(3,401)
4. Total (Lines 1 through 3)	30,655,980	29,532,216
5. Benefit and loss related payments	180,674	727,689
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	29,621,081	28,734,113
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	295,948	226,382
10. Total (Lines 5 through 9)	30,097,703	29,688,184
11. Net cash from operations (Line 4 minus Line 10)	558,277	(155,968)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,564,810	4,737,832
12.2 Stocks		139,427
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,564,810	4,877,259
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,255,254	4,056,614
13.2 Stocks		139,427
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	1,255,254	4,196,041
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	4,309,556	681,218
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		(500,000)
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(2,416,391)	1,173,271
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(2,416,391)	673,271
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Lines 11 plus 15 plus 17)	2,451,442	1,198,521
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	12,344,753	11,146,232
19.2 End of year (Line 18 plus Line 19.1)	14,796,195	12,344,753
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Col. 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1+2-3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
17.3 Excess workers' compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety	30,238,445	244,903	228,605	30,254,743
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - nonproportional Assumed Property				
32. Reinsurance - nonproportional Assumed Liability				
33. Reinsurance - nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	30,238,445	244,903	228,605	30,254,743
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned but Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					
2.	Allied lines					
3.	Farmowners multiple peril					
4.	Homeowners multiple peril					
5.	Commercial multiple peril					
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine					
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake					
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation					
17.1	Other liability - occurrence					
17.2	Other liability - claims-made					
17.3	Excess workers' compensation					
18.1	Products liability - occurrence					
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability					
19.3, 19.4	Commercial auto liability					
21.	Auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity					
24.	Surety	217,308	11,297			228,605
26.	Burglary and theft					
27.	Boiler and machinery					
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - Nonproportional Assumed Property					
32.	Reinsurance - Nonproportional Assumed Liability					
33.	Reinsurance - Nonproportional Assumed Financial Lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	217,308	11,297			228,605
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					228,605
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case.
PREMIUMS ARE EARNED ON A PRO-RATA BASIS OVER THE LIFE OF THE BOND

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
17.3 Excess workers' compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability						
19.3, 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety	38,632,161			8,393,716		30,238,445
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	X X X					
32. Reinsurance - nonproportional assumed liability	X X X					
33. Reinsurance - nonproportional assumed financial lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	38,632,161			8,393,716		30,238,445
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (X)
If yes: 1. The amount of such installment premiums \$
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1+2-3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4+5-6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence								
17.2 Other liability - claims-made								
17.3 Excess workers' compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability								
19.3, 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety	2,829,424		2,829,424		219	185	34	
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	X X X							
32. Reinsurance - nonproportional assumed liability	X X X							
33. Reinsurance - nonproportional assumed financial lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	2,829,424		2,829,424		219	185	34	
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 + 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Cols. 1+2-3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
17.3 Excess workers' compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	(1,234,188)		(1,234,188)		732,691		732,472	219	314
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional Assumed Property	X X X				X X X				
32. Reinsurance - nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance - nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	(1,234,188)		(1,234,188)		732,691		732,472	219	314
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403+3498) (Line 34 above)									

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	623,013			623,013
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	622,324			622,324
1.4 Net claim adjustment services (1.1+1.2-1.3)	689			689
2. Commission and brokerage:				
2.1 Direct excluding contingent		29,543,097		29,543,097
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent		2,033,884		2,033,884
2.4 Contingent - direct		181,084		181,084
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)		27,690,297		27,690,297
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations		3		3
6. Surveys and underwriting reports		1,208		1,208
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	1,922	153,977	2,009	157,908
8.2 Payroll taxes	139	11,121	145	11,405
9. Employee relations and welfare	152	11,454	227	11,833
10. Insurance	18	1,436	19	1,473
11. Directors' fees				
12. Travel and travel items	130	10,591	138	10,859
13. Rent and rent items				
14. Equipment	28	2,215	29	2,272
15. Cost or depreciation of EDP equipment and software	6	584	8	598
16. Printing and stationery	85	6,262	143	6,490
17. Postage, telephone and telegraph, exchange and express	36	2,874	38	2,948
18. Legal and auditing	425	29,252	928	30,605
19. Totals (Lines 3 to 18)	2,941	230,977	3,684	237,602
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		1,320,646		1,320,646
20.2 Insurance department licenses and fees		293,986	9,207	303,193
20.3 Gross guaranty association assessments		644		644
20.4 All other (excluding federal and foreign income and real estate)		66,618		66,618
20.5 Total taxes, licenses and fees (20.1+20.2+20.3+20.4)		1,681,894	9,207	1,691,101
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	251	18,898	47,980	67,129
25. Total expenses incurred	3,881	29,622,066	60,871	(a) 29,686,818
26. Less unpaid expenses - current year	351	440,420		440,771
27. Add unpaid expenses - prior year	365	445,274		445,639
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	3,895	29,626,920	60,871	29,691,686
DETAILS OF WRITE-INS				
2401. Computer Services	43	3,437	45	3,525
2402. Other Expenses	208	15,461	47,935	63,604
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus Line 2498) (Line 24 above)	251	18,898	47,980	67,129

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 99,824	94,944
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 226,592	222,702
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 123,327	129,053
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	449,743	446,699
11. Investment expenses		(g) 51,664
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 9,207
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		60,871
17. Net investment income (Line 10 minus Line 16)		385,828
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Includes \$ 10,304 accrual of discount less \$ 36,455 amortization of premium and less \$ 6,832 paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ 4,944 accrual of discount less \$ amortization of premium and less \$ 733 paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds					
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	(53,734)		(53,734)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(53,734)		(53,734)		
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	404,380	819,380	415,000
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	79,049	4,323	(74,726)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	483,429	823,703	340,274
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	483,429	823,703	340,274
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)			

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices:
The financial statements of Allegheny Casualty Company (the "Company") or ("ACC") are presented on the basis of accounting practices prescribed by the NAIC Accounting Practices and Procedures Manual and the Statements of Statutory Accounting Principles

Effective December 31, 2015, the Company was re-domiciled from the Commonwealth of Pennsylvania to the State of New Jersey. The New Jersey Department of Banking and Insurance recognizes only statutory accounting practices prescribed or permitted by the State of New Jersey for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the New Jersey Insurance Law. The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of New Jersey. The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP and the Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices (collectively referred to as "NJ Basis").

The Company, with the explicit permission of the New Jersey Department of Banking and Insurance (NJDOBI), earns bail premium on the first day the bond is issued. If the bail was earned based on NAIC prescribed practice, surplus (net of taxes) would decrease by \$2,576,219 for the year ended December 31, 2018 and would have decreased by \$2,043,018 for the year ended December 31, 2017. Additionally, net income (net of taxes) would decrease by \$533,201 and increase by \$216,941 for the year ended December 31, 2018 and the year ended December 31, 2017, respectively.

The Company also received a permitted practice from NJDOBI to allow bail premium on a net basis (premium reported from the MGA). This permitted practice has no impact on the financial statements of the Company as it does not change the manner in which written premium has been reported in 2018 and prior years.

A reconciliation of the Company's net income and policyholder's surplus between the amounts reported in the accompanying financial statements (NJ basis) and (NAIC SAP) are as follows:

	SSAP #	F/S Page #	F/S Line #	Year Ended Dec 2018	Year Ended Dec 2017
<u>Net Income</u>					
Net Income, NJ Basis				\$ 762,916	\$ 612,599
Effect of Bail earned premium permitted practice, net of taxes	53	4	1	(533,201)	216,941
Net Income, NAIC basis				229,715	829,540
<u>Surplus</u>				Dec 31, 2018	Dec 31, 2017
Policyholders’ Surplus, NJ Basis				\$ 23,652,027	\$22,640,999
Effect of Bail earned premium permitted practice, net of taxes	53	3	35	(2,576,219)	(2,043,018)
Policyholders’ Surplus, NAIC Basis				21,075,808	20,597,981

- B. Use of Estimates in the Preparation of the Financial Statements
The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
- C. Accounting Policy
Premiums are earned over the terms of the related insurance policies and reinsurance contracts with the exception of bail business (see Note 1A). Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods. Expenses incurred in connection with acquiring new business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company used the following accounting policies:

- (1) Basis for Short-Term Investments
Short-term investments are stated at amortized value using the interest method.
- (2) Basis for Bonds and Amortization Schedule
Bonds not backed by other loans are stated at amortized cost using the scientific interest method. Bonds not backed by other loans containing call provisions are amortized, using the scientific interest method, to the call or maturity value/date which produces the lowest asset value (yield to worst).
- (3) Basis for Common Stocks
Common stocks are stated at their fair value.
- (4) Basis for Preferred Stocks
The Company does not have any investments in Preferred Stocks
- (5) Basis for Mortgage Loans
The Company does not have any investments in mortgage loans
- (6) Basis for Loan-Backed Securities and Adjustment Methodology
The Company does not have any investment in loan-backed securities.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
The Company does not have any investments in subsidiaries, controlled or affiliated entities.
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
The Company does not have any investments in joint ventures, partnerships or limited liability entities.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

- (9) Accounting Policies for Derivatives
The Company does not have any investments in derivatives.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation
Premium deficiency calculations are not used for the surety line of business
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses
Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
The Company has not modified its capitalization policy from the prior period
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables
The Company does not write major medical insurance

D. Going Concern – None

Note 2 - Accounting Changes and Corrections of Errors

- A. Change in Accounting Principles or correction of errors - None

Note 3 - Business Combinations and Goodwill

The Company was not involved in any business combinations.

Note 4 - Discontinued Operations

The Company did not dispose of any business segments.

Note 5 – Investments

- A. Mortgage Loans, Including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- A. Reverse Mortgages – None
- D. Loan - Backed and Structured Securities

A. Description of Sources Used to Determine Prepayment Assumptions
Prepayment assumptions for loan-backed and structured securities were obtained from broker dealer survey values.

B. Impairments of Loan-backed securities
All loaned-backed securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. There were no impaired loan-backed securities at December 31, 2018.

C. Recognized OTTI securities – None

D. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	4,155
	2. 12 Months or Longer	3,093
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	243,430
	2. 12 Months or Longer	247,270

Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary
All loaned-backed securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - NONE
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - NONE
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - NONE
- H. Repurchase Agreements Transactions Accounted for as a Sale – NONE
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - NONE
- J. Real Estate - None
- K. Investment in Low-Income Housing Tax Credits – None
- L. Restricted Assets

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Restricted Assets (including Pledged)

Gross Restricted										
Current Year									Percentage %	
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Supporting G/A Activity (b)	Total	Total From Prior Year	Increase/Decrease	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
On deposit with States	14,287,342				14,287,342	14,449,291	(161,949)	14,287,342	41.17%	41.75%
Total Restricted Assets	14,287,342				14,287,342	14,449,291	(161,949)	14,287,342	41.17%	41.75%

2. Pledged as Collateral Not Captured in Other Categories – None
3. Other Restricted Assets – None
4. Collateral Received and Reflected as Assets on the Financial Statements

	Book/Adj Carrying Value	Fair Value	% of BACV to Total Assets (admitted and non-admitted)	% of BACV to Total Admitted Assets
Collateral Assets				
a. Cash, Cash Equivalents and Short Term Investments	4,991,115	4,991,115	14.4%	14.6%
b. Sched D, Part 1	3,491,826	3,420,960	10.1%	10.2%
c. Sched D, Part 2, Sec 1	-	-	-	-
d. Sched D, Part 2, Sec 2	-	-	-	-
e. Sched B	-	-	-	-
f. Sched A	-	-	-	-
g. Sched BA	-	-	-	-
h. Sched DL	-	-	-	-
i. Other (incl cash equivalents)	-	-	-	-
j. Total Collateral Assets	8,482,941	8,412,075	24.4%	24.8%
	Amount	% to Total Liabilities		
k. Recognized Obligation to Return Collateral	8,482,941	80.3%		

- M. Working Capital Finance Investments - None
- N. Offsetting & Netting of Assets & Liabilities - None
- O. Structured Notes – None
- P. 5GI Securities – None
- Q. Short Sales – None
- R. Prepayment Penalty and Acceleration Fees - None

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies
The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

Note 7 - Investment Income

- A. The bases, by category of investment income, for excluding (non-admitting) any investment income due and accrued:
The Company non-admits investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans or amounts on mortgage loans in default).
- B. Total Amounts Excluded - NONE

Note 8 - Derivative Instruments -
In 2018 and 2017, the Company did not own any derivative investments.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. 1. Components of the Net Deferred Tax Assets (DTA's) and Net Deferred Tax Liabilities (DTL's)

	Dec 31, 2018				December 31, 2017				Change		
	Ordinary	Capital	Total		Ordinary	Capital	Total		Ordinary	Capital	Total
Gross deferred tax assets	132,928	-	132,928		223,500	-	223,500		(90,572)	-	(90,572)
Statutory Valuation Allowance	-	-	-		-	-	-		-	-	-
Adjusted Gross deferred tax assets	132,928	-	132,928		223,500	-	223,500		(90,572)	-	(90,572)
Deferred Tax Assets Non-admitted	79,049	-	79,049		4,323	-	4,323		74,726	-	74,726
Subtotal Net Admitted Deferred Tax Assets	53,879	-	53,879		219,177	-	219,177		(165,298)	-	(165,298)
Deferred tax liabilities	5,871	-	5,871		4,281	-	4,281		1,590	-	1,590
Net deferred tax asset before admissibility test	48,008	-	48,008		214,896	-	214,896		(166,888)	-	(166,888)

2. Admission Calculation: Components of SSAP No. 101

	December 31, 2018				December 31, 2017			Change
	Ordinary	Capital	Total		Ordinary	Capital	Total	
Federal Income Taxes Paid in Prior Years Recoverable through Loss Carrybacks	48,008		48,008		206,292		206,292	158,285
Adjusted Gross Deferred Tax Assets Expected to be realized (Exclude the amounts of deferred Tax Assets from 2(a) above) after application of the threshold limitation	0		0		8,605		8,605	8,605
Adjusted Gross Deferred Tax Assets (Excluding the amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	5,871		5,871		4,280		4,280	1,591
Deferred tax asset Admitted as the result of application of SSAP No. 101 Total (2a+2b+2c)	53,878		53,878		219,177		219,177	(165,299)

B. Unrecognized DTLs - None

C. Current and Deferred Income Taxes

1. Current Income Taxes

	12/31/2018	12/31/2017
Federal Tax	209,199	295,948
Federal Income Tax on net capital gains (losses)	(\$11,284)	-
Utilization of Capital loss carryforwards	-	-
Other including Prior year average accrual	-	-
Federal and foreign income taxes incurred	198,635	295,948

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>Difference</u>
<u>Ordinary</u>			
Discounting of Unpaid Losses	-	-	-
Unearned Premium Reserves	48,008	51,430	(3,422)
Allowance for doubtful accounts	-	-	-
Recievables - Non-admitted	84,920	172,070	(87,150)
Subtotal - Ordinary	132,928	223,500	(90,572)
<u>Capital</u>			
None	-	-	-
Subtotal - Ordinary	-	-	-
Statutory Valuation Allowance adj.	-	-	-
Non-admitted deferred tax asset	(79,049)	(4,323)	(74,726)
Admitted deferred tax asset	53,879	219,177	(165,298)

2. Deferred Tax Liability

<u>Ordinary</u>			
Investments	5,871	4,281	1,590
Subtotal - Ordinary	5,871	4,281	1,590
<u>Capital</u>			
None	-	-	-
Subtotal - Ordinary	-	-	-
Total Deferred Tax Liabilities	5,871	4,281	1,590
Net Admitted Deferred Tax Asset	48,008	214,896	(166,888)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

	12 months Ended Dec 2018	Effective tax rate
Provision computed at statutory rate	201,926	21.0%
Change in non-admitted assets	87,150	9.1%
Tax exempt income	-	0.0%
Other permanent items	1,722	0.2%
Total Income tax	290,798	30.2%
Federal and foreign income taxes incurred	209,919	21.8%
Tax on capital gains/(losses)	(11,283)	-1.2%
Change in net deferred income taxes	92,162	9.6%
	290,798	30.2%

E. Operating Loss and Tax Credit Carryforwards

- 1. At December 31, 2018, the Company had no capital loss carry-forwards available to offset against future capital gains.
- 2. At December 31, 2018, the income tax expense that is available for recoupment in the event of future net losses is \$295,948 from 2017 and \$226,382 from 2016.
- 3. The Company’s aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Code is \$0

F. Consolidated Federal Income Tax Return

- A. Through September 30, 2018, the Company's federal income tax return is consolidated with the IFIC Surety Group, Inc.’s return which also includes The Chestnut Group and IFIC. The period subsequent to September 30, 2018, the Company’s return is consolidated with Goose Creek Capital, Inc (FEIN 81-4619377)
- B. The income tax is allocated based on each entities respective pre-tax income. The Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

G. Federal or Foreign Income Tax Loss Contingencies – None

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 10. Information Concerning Parent, Subsidiaries, Affiliates and other Related Parties

A. Nature of Relationships

On October 1, 2009 International Fidelity Insurance Company (IFIC) , a New Jersey domiciled insurance company, purchased 100% of the issued and outstanding common stock of The Chestnut Group, Inc., the Parent Company of ACC. On August 31, 2015, the shareholders of IFIC entered into a Stock Exchange Agreement whereby they exchanged 100% of their outstanding shares of IFIC common stock for shares of IFIC Surety Group, Inc. a New Jersey holding company. On September 30, 2018, all shares of IFIC Surety Group, Inc were sold to TransGuard Insurance Company of America Inc. (“TICOA”) an Illinois domiciled Insurance Company. “TICOA” is a subsidiary of IAT Insurance Group, Inc. a North Carolina Holding Company (see Schedule Y for organizational structure).

B. Transactions

Effective 9/30/2018 AIA Holdings Inc., is no longer an affiliate of ACC. Allegheny Casualty Company has an MGA agreement with AIA Holdings Inc., to manage and process the Company’s bail business.

Allegheny Casualty Company has a reinsurance agreement with its parent International Fidelity Insurance Company whereby IFIC assumes 100% of the surety other than bail business written by ACC.

C. Dollar Amounts of Transactions

Direct Premium managed though AIA Holdings, Inc. for the period ended at December 31, 2018 is \$29,811,260.

D. Amounts due to / from Related Parties

The company is party to a Reinsurance Agreement with its parent IFIC whereby ACC cedes 100% of its surety other than bail business to IFIC. As a result of this agreement the Company reported a payable at December 31, 2018 in the amount of \$1,137,054 and \$1,496,695 at December 31, 2017. The Company also reported reinsurance recoverable in the amount of \$1,255,433 and \$1,078,655 at December 31, 2018 and December 31, 2017, respectively.

E. Guarantees of Contingencies for Related Parties - None

F. Material Management or Services Contracts and Cost Sharing Arrangements

The Company has agreed to provide The Chestnut Group, Inc., certain executive, managerial and administrative services as well as fixtures, equipment and full use of its premises to enable the Parent Company, The Chestnut Group, Inc., to conduct its business. The Chestnut Group, Inc. does not provide any services to the Company.

The Company is party to an Expense Sharing Agreement with its parent, IFIC. Under the terms of the agreement, IFIC incurs operational expenses on behalf of ACC and at the end of the quarter, IFIC will charge ACC 100% of those expenses. As a result of this agreement the Company reported a payable amount of \$72,274 and \$37,109 at December 31, 2018 and December 31, 2017, respectively.

G. Nature of Control Relationship

All outstanding shares of (ACC) are owned by The Chestnut Group, Inc., an insurance holding company domiciled in the State of Delaware.

H. Amount Deducted for Investment in Upstream Company or Ultimate Parent Owned - None

I. Details of Investment in a Subsidiary Greater than 10% of Admitted Assets

The Company does not own shares in its parent company, The Chestnut Group, Inc. or its ultimate parent, IFIC.

J. Investments in Impaired SCAs - None

K. Foreign insurance subsidiary – None

L. Downstream Holding Company

The Company does not own any interest in an insurance or non-insurance holding company.

M. SCA Investments – None

N. Investment in Insurance SCA

Note 11 - Debt – The Company does not own any interest in an insurance or non-insurance subsidiary

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and other Postretirement Benefit Plans

The Company has no benefit plans.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. Number of Shares and Par or State Value of Each Class

The Company has one class of Series B, par value \$1.00 per share Common Stock. At December 31, 2018 and December 31, 2017, 2,500,000 shares were authorized, 1,500,000 shares were issued and 1,500,000 shares were outstanding.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

2. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

The Company has one class of Series A, Non-Voting, Callable, Cumulative, 10% Preferred Stock, par value \$100.00 per share. The liquidation value is \$105.00 per share plus an amount equal to all dividends accumulated and unpaid on such shares to the date of final distribution whether or not earned or declared. At December 31, 2018 and December 31, 2017, 12,000 shares were authorized, 12,000 shares were issued and no shares outstanding with 12,000 shares in Treasury at a cost of \$100 per share.

The Company has one class of Series B, Non-Voting, Callable, Cumulative, 8% Preferred Stock, par value \$100.00 per share. The liquidation value is \$102.00 per share plus a dividend payment contingent upon approval by certain applicable regulatory bodies. Non-payment of the dividend under the Agreement ceases all liabilities, and attendant interest and expenses. At December 31, 2018 and December 31, 2017, there were 35,000 shares were authorized, 20,000 shares were issued and no shares were outstanding as all issued shares have been purchased and placed in the treasury.

3. Dividend Restrictions

Without prior approval of the New Jersey Commissioner, dividends to shareholders are limited by the laws of the Company’s state of incorporation, subject to restrictions relating to statutory surplus. Such dividends may not exceed ten percent (10%) of the preceding year's statutory surplus. As such, the maximum amount of dividends that the Company can declare and distribute in 2019 without prior approval is \$2,365,202.

4. Dates and Amounts of Dividends Paid

The Company did not declare or pay preferred stock cash dividends from Unassigned Funds to The Chestnut Group, Inc. in 2018 or in 2017 nor did the Company declare or pay common stock cash dividends to The Chestnut Group, Inc. in 2018 or 2017. AIA Holdings, Inc., previously the sole holder of the Series B, Non-Voting, Callable, Cumulative, 8% Preferred Stock, was entitled to receive cash dividends paid on a quarterly basis, in accordance with an Agreement dated December 26, 2006. Effective March 31, 2008, by First Amendment to the Agreement, the parties agreed to amend the Agreement to make the dividend payment contingent upon approval by certain applicable regulatory bodies and for such resulting non-payment to cease all liabilities and attendant interest and expenses under the Agreement. No preferred stock cash dividends were declared or paid to AIA Holdings, Inc. neither in 2018 nor in 2017.

5. Profits that may be Paid as Ordinary Dividends to Stockholders

Except for the limitations of (3) above, there are no restrictions placed on the portion of the Company’s profits that may be paid as ordinary dividends to stockholders.

6. Restrictions Plans on Unassigned Funds (Surplus) - None

7. Amount of Advances to Surplus not Repaid - None

8. Amount of Stock Held for Special Purposes Stock held for special purpose - None

9. Reasons for Changes in Balance of Special Surplus Funds from Prior Period - None

10. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is \$0.

11. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations – None

12. The Impact of any Restatement due to Prior Quasi-Reorganizations – None

13. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization Quasi Reorganizations - None

Note 14 - Liabilities, Contingencies & Assessments

Various lawsuits against the Company have arisen in the course of the Company’s business. Contingent liabilities arising from litigation, income taxes or other matters are not considered material in relation to the financial position of the Company.

Note 15 - Leases:

The Company does not have any lease obligations.

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk - None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators for the 12 months ended 12/31/2018

Name	FEIN	Exclusive Contracts	Type of Business	Type of Authority *	Total Premium
AIA Holdings, Inc. Calabasas CA 91302	45-0508040	No	Surety – Bail	C,CA,B,P,U	\$29,811,260

*Underwriting authority is limited to issuing a Bail Bond with a penal liability of no more than \$500,000, net of collateral.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 20 - Fair Value Measurements

A. Fair Value Measurements

1. Fair Value Measurements at Reporting Date
At December 31, 2018 the Company had no investments that are reported at fair value other than its Cash Equivalents which are all Level 1 instruments.

	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Cash Equivalents	7,882,165			7,882,165
Total Assets at Fair Value	7,882,165	-	-	7,882,165
Liabilities at Fair Value	-	-	-	-

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy- None
3. Policies when Transfers between Levels are Recognized
At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.
4. Description of Valuation Techniques and Inputs Used in Fair Value Measurement
The Company obtains quoted market prices in active markets, when available, for identical or similar assets at the balance sheet date. Market price data is generally obtained from dealer markets.
5. Derivative Fair Values – None

- B. Other Fair Value Disclosure
In accordance with SSAP No. 30, the Company monitors investment securities for other-than-temporary declines in fair value. In determining whether a decline in fair value is other than temporary, consideration is given to the extent of the decline, the length of time fair value has been below cost and other relevant factors. The Company recorded no other-than-temporary losses in 2018 or in 2017.

C. Fair Value Levels

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	16,896,431	17,210,856	9,181,644	7,714,787	-	-
Common Stock	-	-	-	-	-	-
Cash & Short-term and Cash Equivalent	14,796,195	14,796,195	14,796,195	-	-	-
Payable for Securities Purchased	-	-	-			
Total Assets Reported at Fair Value	31,692,626	32,007,051	23,977,839	7,714,787	-	-

- D. Not Practicable to Estimate Fair Value – None

Note 21 - Other Items

- A. Unusual or Infrequent Items - None
- B. Troubled Debt Restructuring Debtors - None
- C. Other Disclosures

At December 31, 2018 and December 31, 2017, the Company collected and held collateral funds of \$8,482,941 and \$10,946,006, respectively, related to its surety business. At December 31, 2018, the collateral funds consisted of cash (\$1,911,834), U.S. Government and Agency bonds (\$3,491,826) and cash equivalents (\$3,079,281). See Note 5- H4 for further details.

Irrevocable letters of credit held as collateral at December 31, 2018 and December 31, 2017 were \$21,769,285 and \$26,014,707 respectively.

Collateral funds were held in escrow by fiduciary trustee for the Company as beneficiary related to the Company's bail bond business in the amount of \$17,273,512 at December 31, 2018 and \$16,940,042 at December 31, 2017.

- D. Business Interruption Insurance Recoveries – Not Applicable
- E. State Transferable and Non-Transferable Tax Credits – None

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

- F. Subprime Mortgage Related Risk Exposure – None
- G. Insurance-Linked Securities (ILS) Contracts - None

Note 22 - Events Subsequent

Effective January 1, 2019, the Company will assume 100% of the bail business currently written by its affiliate, International Fidelity Insurance Company, under a new quota-share agreement.

On December 31, 2018, an affiliate of the Company, IAT Insurance Group, Inc. ("IAT") acquired 100% of The Chestnut Group, Inc. ("TCG"). The Chestnut Group, Inc. is the parent of the Company and its sole holdings is its equity in the Company. IAT paid cash consideration of \$24.8 million, which was the statutory carrying value of TCG at December 31, 2018. This transaction closed on February 27, 2019.

Note 23 - Reinsurance

- A. Unsecured Reinsurance Recoverables
Allegheny Casualty Company has an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium at December 31, 2018 with the following reinsurers (that exceed 3% of the policyholders’ surplus):

<u>NAIC</u>	<u>FEIN#</u>	<u>Reinsurer</u>	<u>Amount</u>
11592	22-1010450	International Fidelity Insurance Company	\$ 3,517,780

- B. Reinsurance Recoverable in Dispute
The Company does not have reinsurance recoverable on paid or unpaid losses in dispute where the amount from any one reinsurer exceeds 5% of the Company’s policyholder surplus or where the aggregate amount of all disputed items exceeds 10% of the Company’s policyholder’s surplus.

- C. Reinsurance Assumed and Ceded:

- (1) Maximum Amount of Return Commission
The following table summarizes ceded and assumed unearned premiums and the relate commission equity at the end of the current period.

	Assumed Reinsurance		Ceded Reinsurance		Net	Net
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.) Affiliates	-	-	2,325,515	563,417	(2,325,515)	(563,417)
b.) All Other	-	-	0	0	(0)	(0)
c.) Total	-	-	2,325,515	563,417	(2,325,515)	(563,417)

d.) Direct Unearned Premium Reserves
\$2,554,120

- (2) Additional or Return Commission
Certain agency agreements and ceded reinsurance contracts provide for additional or return commission based on the actual loss experience of the direct written and ceded reinsured business. Amounts accrued at December 31, 2018 are as follows:

	Direct	Assumed	Ceded	Net
a.) Contingent Commission	-	-	-	-
b.) Sliding Scale Adjustment		-	-	
c.) Other Profit Commission Arrangement	\$187,188	-	-	\$187,188
d.) Total	\$187,188	\$ -	-	\$187,188

- D. Uncollectible Reinsurance - The Company did not write off any reinsurance balances due.
- E. Commutation of Ceded Reinsurance - The Company did not commute any reinsurance.
- F. Retroactive Reinsurance - The Company did not enter into any retroactive reinsurance agreements.
- G. Reinsurance Accounted for as a Deposit - The Company did not enter into any reinsurance agreements determined to be of a deposit type nature.
- H. Disclosures for the Transfer of Property & Casualty Run-off Agreements - None
- I. Certified Reinsurer Downgraded or Status Subject to Revocation – None
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - None

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination - None

.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

- A.

Changes in Incurred Losses and Loss Adjustment Expenses:
Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$237.28.
- B.

Information about Significant Changes in Methodologies and Assumptions:
There were no changes in methodologies and assumptions in the current period

Note 26 - Intercompany Pooling Arrangements – None

Note 27 - Structured Settlements - None

Note 28 - Health Care Receivables - None.

Note 29 - Participating Policies - None

Note 30- Premium Deficiency Reserves – The Company does not have any liabilities related to premium deficiency reserves. The Company considers anticipated investment income when testing for a premium deficiency.

Note 31 - High Deductibles - None

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses - None

Note 33 - Asbestos/Environmental Reserves - None

Note 34 - Subscriber Savings Accounts - None

Note 35 - Multiple Peril Crop Insurance - None

Note 36 - Financial Guaranty Insurance - None

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons , one or more of which is an insurer?

If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes (X) No ()
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner , Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes (X) No () N/A ()
- 1.3

State Regulating?

New Jersey
- 1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes () No (X)
- 1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity . This date should be the date of the examined balance sheet and not the date the report was completed or released .

12/31/2015
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity . This is the release date or completion date of the examination report and not the date of the examination (balance sheet date) .

04/17/2017
- 3.4

By what department or departments?
STATE OF NEW JERSEY DEPARTMENT OF BANKING & INSURANCE
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes (X) No () N/A ()
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business?
4.12 renewals?

Yes (X) No ()
Yes () No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business?
4.22 renewals?

Yes () No (X)
Yes () No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

If yes, complete and file the merger history data file with the NAIC.

Yes () No (X)
- 5.2

If yes, provide the name of entity, the NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

<div>1</div> <div>Name of Entity</div>	<div>2</div> <div>NAIC Company Code</div>	<div>3</div> <div>State of Domicile</div>
----------------------------------------	-------------------------------------------	-------------------------------------------

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes () No (X)
- 6.2

If yes, give full information:
.....
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes () No (X)
- 7.2

If yes,

7.21 State the percentage of foreign control

..... %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact) .

<div>1</div> <div>Nationality</div>	<div>2</div> <div>Type of Entity</div>
-------------------------------------	----------------------------------------

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes () No (X)
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator .

<div>1</div> <div>Affiliate Name</div>	<div>2</div> <div>Location (City, State)</div>	<div>3</div> <div>FRB</div>	<div>4</div> <div>OCC</div>	<div>5</div> <div>FDIC</div>	<div>6</div> <div>SEC</div>
----------------------------------------	------------------------------------------------	-----------------------------	-----------------------------	------------------------------	-----------------------------

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Johnson & Lambert LLP 4242 Six Forks Road, Suite 1500, Raleigh, NC 27609

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule) , or substantially similar state law or regulation?

Yes () No (X)

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation , or substantially similar state law or regulation?

Yes () No (X)

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws?

Yes (X) No () N/A ()

10.6

If the response to 10.5 is no or n/a, please explain:

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ronald T. Kuehn, FCAS, MAAA, CPCU, ARM, FCA Huggins Actuarial Services, Inc. 111 Veterans Square - 2nd Floor. Media, PA 19063

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes () No (X)

12.11

Name of real estate holding company

12.12

Number of parcels involved

12.13

Total book/adjusted carrying value

\$

12.2

If yes, provide explanation

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes () No ()

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes () No ()

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes () No () N/A (X)

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes (X) No ()

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes () No (X)

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes () No (X)

15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
--------------------------------------------------------	--------------------------------------	----------------------------------------------------------	-------------

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes (X) No ()

17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes (X) No ()

18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes (X) No ()

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes () No (X)

20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

20.12 To stockholders not officers

20.13 Trustees, supreme or grand (Fraternal only)

\$

20.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal only)

\$

21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes () No (X)

21.2

If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

\$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes () No (X)

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$

22.22

Amount paid as expenses

\$

22.23

Other amounts paid

\$

23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ()

23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 46,354

INVESTMENT

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes (X) No ()

24.02

If no, give full and complete information relating thereto:

.....

.....

24.03

For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

.....

.....

24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions?

Yes () No () N/A (X)

24.05

If answer to 24.04 is YES, report amount of collateral for conforming programs.

\$

24.06

If answer to 24.04 is NO, report amount of collateral for other programs.

\$

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes () No () N/A (X)

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes () No () N/A (X)

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes () No () N/A (X)

24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2

\$

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$

24.103

Total payable for securities lending reported on the liability page

\$

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03)

Yes (X) No ()

25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$

25.22

Subject to reverse repurchase agreements

\$

25.23

Subject to dollar repurchase agreements

\$

25.24

Subject to reverse dollar repurchase agreements

\$

25.25

Placed under option agreements

\$

25.26

Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$

25.27

FHLB Capital Stock

\$

25.28

On deposit with states

\$ 14,287,343

25.29

On deposit with other regulatory bodies

\$

25.30

Pledged as collateral - excluding collateral pledged to an FHLB

\$

25.31

Pledged as collateral to FHLB - including assets backing funding agreements

\$

25.32

Other

\$

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
----------------------------	------------------	-------------

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes () No (X)

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes () No () N/A (X)

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)

27.2

If yes, state the amount thereof at December 31 of the current year.

\$

28.

Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ()

28.01

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

US Bank 214 N Tryon St, Charlotte, NC 28202

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
--------------	------------------	------------------------------

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes (X) No ()

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
--------------------	--------------------	---------------------	-------------

Bank of America Merrill Lynch US Bank 11/15/2018 Parent company uses US Bank and watned company to align its proffolio accor

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
---------------------------------	------------------

PRIME ADVISORS, INC. U
DAVID G PIRRUNG I

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes () No (X)

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes () No (X)

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identified (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
---------------------------------------------	---------------------------------	------------------------------------	----------------------	--------------------------------------------------

107680 Prime Advisors, Inc. SEC DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes () No (X)

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
-----------------------------------------------	-----------------------------------------------------	---------------------------------------------------------------------------------------	------------------------

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 17,210,857	\$ 16,896,431	\$ (314,427)
30.2 Preferred stocks	\$	\$	\$
30.3 Totals	\$ 17,210,857	\$ 16,896,431	\$ (314,427)

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are obtained from quoted prices in active markets, when available for identical or similar assets at the balance sheet date. Market price data is generally obtained from dealer markets.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes () No (X)

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes () No ()

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....
.....

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes (X) No ()

32.2 If no, list exceptions:

.....

.....

OTHER

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes () No (X)

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes () No (X)

OTHER

35.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any? \$.....

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....

36.1 Amount of payments for legal expenses, if any? \$.....

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes () No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding:

.....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

1.62

Total incurred claims

\$

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$

1.65

Total incurred claims

\$

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

1.72

Total incurred claims

\$

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$

1.75

Total incurred claims

\$

1.76

Number of covered lives

.....

2. Health Test:

2.1

Premium Numerator

\$

2.2

Premium Denominator

\$

2.3

Premium Ratio (2.1/2.2)

.....

2.4

Reserve Numerator

\$

2.5

Reserve Denominator

\$

2.6

Reserve Ratio (2.4/2.5)

.....

1

Current Year

2

Prior Year

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes () No (X)

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$

3.22

Non-participating policies

\$

4.

For Mutual reporting entities and Reciprocal Exchange only:

4.1

Does the reporting entity issue assessable policies?

Yes () No (X)

4.2

Does the reporting entity issue non-assessable policies?

Yes () No (X)

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

..... %

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$

5.

For Reciprocal Exchanges only:

5.1

Does the exchange appoint local agents?

Yes () No (X)

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes () No () N/A (X)

5.22

As a direct expense of the exchange

Yes () No () N/A (X)

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes () No (X)

5.5

If yes, give full information.

.....

.....

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

Not Applicable

.....

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

Not Applicable

.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

Not Applicable

.....

16

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes () No (X)

6.5

If no., describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.

AllegHENY Casualty Company has no catastrophe exposure

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes () No (X)

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes () No (X)

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes () No (X)

8.2

If yes, give full information.

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes () No (X)

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes () No (X)

9.3

If yes to 9.1 or 9.2., please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes () No (X)

9.5

If yes to 9.4., explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes () No (X)
Yes () No (X)
Yes () No (X)

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes () No () N/A (X)

11.1

Has this reporting entity guaranteed policies issued by any other entity and now in force?

Yes () No (X)

11.2

If yes, give full information.

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$.....

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$.....

12.2

Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds:

\$.....

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes () No () N/A (X)

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From

12.42 To

%

%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes () No (X)

12.6 If yes, state the amount thereof at December 31 of the current year:

12.61 Letters of Credit

12.62 Collateral and other funds

\$

\$

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$ 2,264,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes () No (X)

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the company a cedant in a multiple cedant reinsurance contract?

Yes () No (X)

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14. 1 is yes, are the methods described in item 14. 2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes () No (X)

14.4 If the answer to 14. 3 is no, are the methods described in 14. 2 entirely contained in written agreements?

Yes () No (X)

14.5 If the answer to 14. 4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts?

Yes () No (X)

15.2 If yes, give full information.

16.1 Does the reporting entity write any warranty business?

Yes () No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16. 11 Home	\$	\$	\$	\$	\$
16. 12 Products	\$	\$	\$	\$	\$
16. 13 Automobile	\$	\$	\$	\$	\$
16. 14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 is exempt from the statutory provision for unauthorized reinsurance?

Yes () No (X)

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance.
Provide the following information for this exemption:

17. 11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

17. 12 Unfunded portion of Interrogatory 17. 11

17. 13 Paid losses and loss adjustment expenses portion of Interrogatory 17. 11

17. 14 Case reserves portion of Interrogatory 17. 11

17. 15 Incurred but not reported portion of Interrogatory 17. 11

17. 16 Unearned premium portion of Interrogatory 17. 11

17. 17 Contingent commission portion of Interrogatory 17. 11

\$

\$

\$

\$

\$

\$

\$

18.1 Do you act as a custodian for health savings accounts?

Yes () No (X)

18.2 If yes, please provide the amount of custodial funds held as of the reporting date.

\$

18.3 Do you act as an administrator for health savings accounts?

Yes () No (X)

18.4 If yes, please provide the balance of the funds administered as of the reporting date.

\$

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes (X) No ()

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes () No (X)

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only , no cents; show percentages to one decimal place , i.e. 17.6 .

	1 2018	2 2017	3 2016	4 2015	5 2014
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	38,632,161	39,617,190	43,254,720	46,604,760	46,000,077
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	38,632,161	39,617,190	43,254,720	46,604,760	46,000,077
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	30,238,445	29,392,711	31,881,246	30,193,793	29,583,228
11. Nonproportional reinsurance lines (Line 31, 32 & 33)					
12. Total (Line 35)	30,238,445	29,392,711	31,881,246	30,193,793	29,583,228
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	628,761	606,253	582,023	551,420	421,239
14. Net investment gain (loss) (Line 11)	332,094	301,237	230,093	155,270	287,361
15. Total other income (Line 15)	697	1,057	(88,962)	5,775	3,875
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	198,635	295,948	226,382	190,933	263,013
18. Net income (Line 20)	762,917	612,599	496,772	521,532	449,462
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	34,219,669	36,099,392	34,944,159	39,501,331	37,646,377
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	757,823	694,883	724,869	1,133,764	1,343,933
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	10,567,642	13,458,392	12,100,181	16,899,599	14,611,762
22. Losses (Page 3, Line 1)	219	185	185	237	48,321
23. Loss adjustment expenses (Page 3, Line 3)	351	365	329	652	51,802
24. Unearned premiums (Page 3, Line 9)	228,605	244,903	245,723	238,649	242,795
25. Capital paid up (Page 3, Lines 30 & 31)	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
26. Surplus as regards policyholders (Page 3, Line 37)	23,652,027	22,640,999	22,843,978	22,601,733	23,034,615
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	558,277	(155,968)	1,243,088	1,228,248	2,070,288
Risk-Based Capital Analysis					
28. Total adjusted capital	23,652,027	22,640,999	22,843,978	22,601,733	23,034,615
29. Authorized control level risk-based capital	6,027,338	5,663,933	6,245,609	5,940,594	5,910,940
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	53.8	63.6	66.7	37.2	17.9
31. Stocks (Line 2.1 & Line 2.2)					
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	46.2	36.4	33.3	62.8	82.1
35. Contact loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)					
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	1,011,028	(202,979)	242,245	(432,883)	338,419
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,829,424	1,406,316	814,690	4,556,299	12,886,008
58. Nonproportional reinsurance lines (Lines 31, 32, & 33)					
59. Total (Line 35)	2,829,424	1,406,316	814,690	4,556,299	12,886,008
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		(729)	(30,000)	3,750	
64. Nonproportional reinsurance lines (Lines 31, 32, & 33)					
65. Total (Line 35)		(729)	(30,000)	3,750	
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)			(0.1)	(0.1)	
68. Loss expenses incurred (Line 3)					0.4
69. Other underwriting expenses incurred (Line 4)	97.9	97.9	98.3	98.4	98.2
70. Net underwriting gain (loss) (Line 8)	2.1	2.1	1.8	1.8	1.4
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4+5-15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	98.0	97.9	98.5	98.3	98.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2+3 divided by Page 4, Line 1 x 100.0)			(0.1)	(0.2)	0.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	127.8	129.8	139.6	133.6	128.4
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)			(29)	(59)	(9)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)			(0.1)	(0.3)	
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)		(29)	(88)	(67)	(164)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)		(0.1)	(0.4)	(0.3)	(0.8)

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?
If no, please explain:

Yes () No ()

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 2009	29,451	1,451	28,000	1,351	676	334	167			8	842	X X X
3. 2010	22,226	1,417	20,809	333	117	127	79	38		4	302	X X X
4. 2011	28,554	7,196	21,358	1,911	1,868	1,144	1,144	84		33	127	X X X
5. 2012	35,020	15,654	19,366	4,606	4,598	1,471	1,467	93		1	105	X X X
6. 2013	42,302	18,286	24,016	5,296	5,296	740	740	119			119	X X X
7. 2014	45,840	16,281	29,559	13,091	13,091	735	735	102			102	X X X
8. 2015	46,620	16,422	30,198	3,442	3,442	715	715	42			42	X X X
9. 2016	44,213	12,339	31,874	1,626	1,626	818	818	4			4	X X X
10. 2017	39,716	10,322	29,394	1,987	1,987	733	733	3			3	X X X
11. 2018	38,879	8,624	30,255	2,898	2,898	553	553	3			3	X X X
12. Totals	X X X	X X X	X X X	36,541	35,599	7,370	7,151	488		46	1,649	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded						Direct and Assumed	Ceded
1.													X X X
2.													X X X
3.													X X X
4.													X X X
5.	(539)	(539)											X X X
6.	11	11			3	3							X X X
7.	6	6			1	1							X X X
8.	10	10			39	39							X X X
9.	(643)	(643)	73	73	39	39	15	15					X X X
10.	(665)	(665)	220	220	8	8	44	44					X X X
11.	586	586	440	440	202	202	88	88					X X X
12.	(1,234)	(1,234)	733	733	292	292	147	147					X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2.	1,685	843	842	5.7	58.1	3.0					
3.	498	196	302	2.2	13.8	1.5					
4.	3,139	3,012	127	11.0	41.9	0.6					
5.	5,631	5,526	105	16.1	35.3	0.5					
6.	6,169	6,050	119	14.6	33.1	0.5					
7.	13,935	13,833	102	30.4	85.0	0.3					
8.	4,248	4,206	42	9.1	25.6	0.1					
9.	1,932	1,928	4	4.4	15.6						
10.	2,330	2,327	3	5.9	22.5						
11.	4,770	4,767	3	12.3	55.3						
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior												
2. 2009	1,345	938	891	843	842	843	843	843	843	842	(1)	(1)
3. 2010	XXX	245	440	411	264	264	264	264	264	264		
4. 2011	XXX	XXX	187	134	142	136	73	43	43	43		
5. 2012	XXX	XXX	XXX	7	7	7	11	11	11	12	1	1
6. 2013	XXX	XXX	XXX	XXX								
7. 2014	XXX	XXX	XXX	XXX	XXX							
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0										XXX	XXX
2. 2009	295	822	846	846	842	843	843	842	843	842	XXX	XXX
3. 2010	XXX	118	247	265	255	264	264	264	263	264	XXX	XXX
4. 2011	XXX	XXX	79	73	69	73	73	42	44	43	XXX	XXX
5. 2012	XXX	XXX	XXX	8	25	11	11	11	11	12	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	(5)						XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior										
2. 2009										
3. 2010	XXX									
4. 2011	XXX	XXX								
5. 2012	XXX	XXX								
6. 2013	XXX	XXX								
7. 2014	XXX	XXX								
8. 2015	XXX	XXX								
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

			1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			Active Status (a)			Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
States, Etc.				2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L		249,566	262,606			589	1,054		
2. Alaska	AK	L		23,280	35,362			(2,157)	2,857		
3. Arizona	AZ	L		647,311	648,900			(385)	191		
4. Arkansas	AR	L		36,615	74,944			3,487	6,055		
5. California	CA	L		16,361,322	16,198,724		(6,872)	292,794	(763,823)		
6. Colorado	CO	L		488,296	430,886			(9,044)	34,815		
7. Connecticut	CT	L		314,721	281,492			(1,122)	11,685		
8. Delaware	DE	L		375,829	321,620			17,906	25,526		
9. Dist. Columbia	DC	L		4,067	14,907			(2,932)	1,204		
10. Florida	FL	L		831,108	841,467			(19,900)	(287,032)		
11. Georgia	GA	L		33,233	54,478			(4,535)	3,931		
12. Hawaii	HI	L		426,783	444,172			2,564	35,889		
13. Idaho	ID	L		151,075	151,075			(876)	715		
14. Illinois	IL	L		717,023	869,604		356,104	603,159	315,696		
15. Indiana	IN	L		273,710	260,084			(4,596)	3,434		
16. Iowa	IA	L		171,948	182,467			(3,154)	2,784		
17. Kansas	KS	L		38,997	46,960			(8,394)	1,255		
18. Kentucky	KY	L		29,744	29,744			1,528	2,403		
19. Louisiana	LA	L		248,927	256,253			(7,498)	3,068		
20. Maine	ME	L		528,262	322,845			10,601	26,086		
21. Maryland	MD	L		143,525	154,825		(50,000)	(66,319)	30,536		
22. Massachusetts	MA	L		770,821	792,610			30,251	64,043		
23. Michigan	MI	L		267,752	233,264			(1,370)	981		
24. Minnesota	MN	L		150,466	156,466			2,975	7,319		
25. Mississippi	MS	L		355,064	355,128			(590)	6		
26. Missouri	MO	L		152,260	167,618			(1,752)	2,333		
27. Montana	MT	L		400	325			(122)	26		
28. Nebraska	NE	L		93,467	90,524			606	7,314		
29. Nevada	NV	L		1,040,128	1,041,262			85,382	86,156		
30. New Hampshire	NH	L		198,852	207,681			6,303	16,781		
31. New Jersey	NJ	L		523,580	543,832		2,012	(10,252)	(420,089)		
32. New Mexico	NM	L		127,558	134,742			(4,303)	(29,745)		
33. New York	NY	L		789,394	981,198			(92,672)	(235,217)		
34. North Carolina	NC	L		2,491,788	2,506,983			3,235	9,052		
35. North Dakota	ND	L		1,225	1,372			(11,690)	(36,209)		
36. Ohio	OH	L		1,313,720	1,307,981			(525)	3,119		
37. Oklahoma	OK	L		560,296	486,643			10,413	22,688		
38. Oregon	OR	L		89,212	73,751			3,475	5,959		
39. Pennsylvania	PA	L		2,811,897	2,928,305		367,242	335,414	67,583		
40. Rhode Island	RI	L		184,386	161,280			(2,124)	13,031		
41. South Carolina	SC	L		390,714	394,640			(22,105)	2,840		
42. South Dakota	SD	L		26,682	29,139			(454)	2,354		
43. Tennessee	TN	L		763,429	764,783			2,331	3,589		
44. Texas	TX	L		2,315,093	2,461,712		45,183	416	(5,754)		
45. Utah	UT	L		1,000	3,007			(1,563)	243		
46. Vermont	VT	L		21,966	20,259			1,151	1,637		
47. Virginia	VA	L		139,914	140,945		1,699,924	1,943,385	503,273		
48. Washington	WA	L		798,086	814,962		7,715	12,771	28,485		
49. West Virginia	WV	L		2,610	2,610			313			
50. Wisconsin	WI	L		26,995	34,974		408,115	317,920	(84,030)		
51. Wyoming	WY	L		14,201	43,974			(1,007)	2,406		
52. American Samoa	AS	N									
53. Guam	GU	N									
54. Puerto Rico	PR	L		113,863	113,863			(1,329)			
55. U.S. Virgin Islands	VI	N									
56. Northern Mariana Islands	MP	N									
57. Canada	CAN	N									
58. Aggregate other alien	OT	X X X									
59. Totals		X X X		38,632,161	38,879,248		2,829,423	3,406,199	(501,497)		
DETAILS OF WRITE-INS											
58001.		X X X									
58002.		X X X									
58003.		X X X									
58998. Summary of remaining write-ins for Line 58 from overflow page		X X X									
58999. Totals (Lines 58001 through 58003+58998) (Line 58 above)		X X X									

Explanation of basis of allocation of premiums by states, etc.

(a) Active Status Counts:

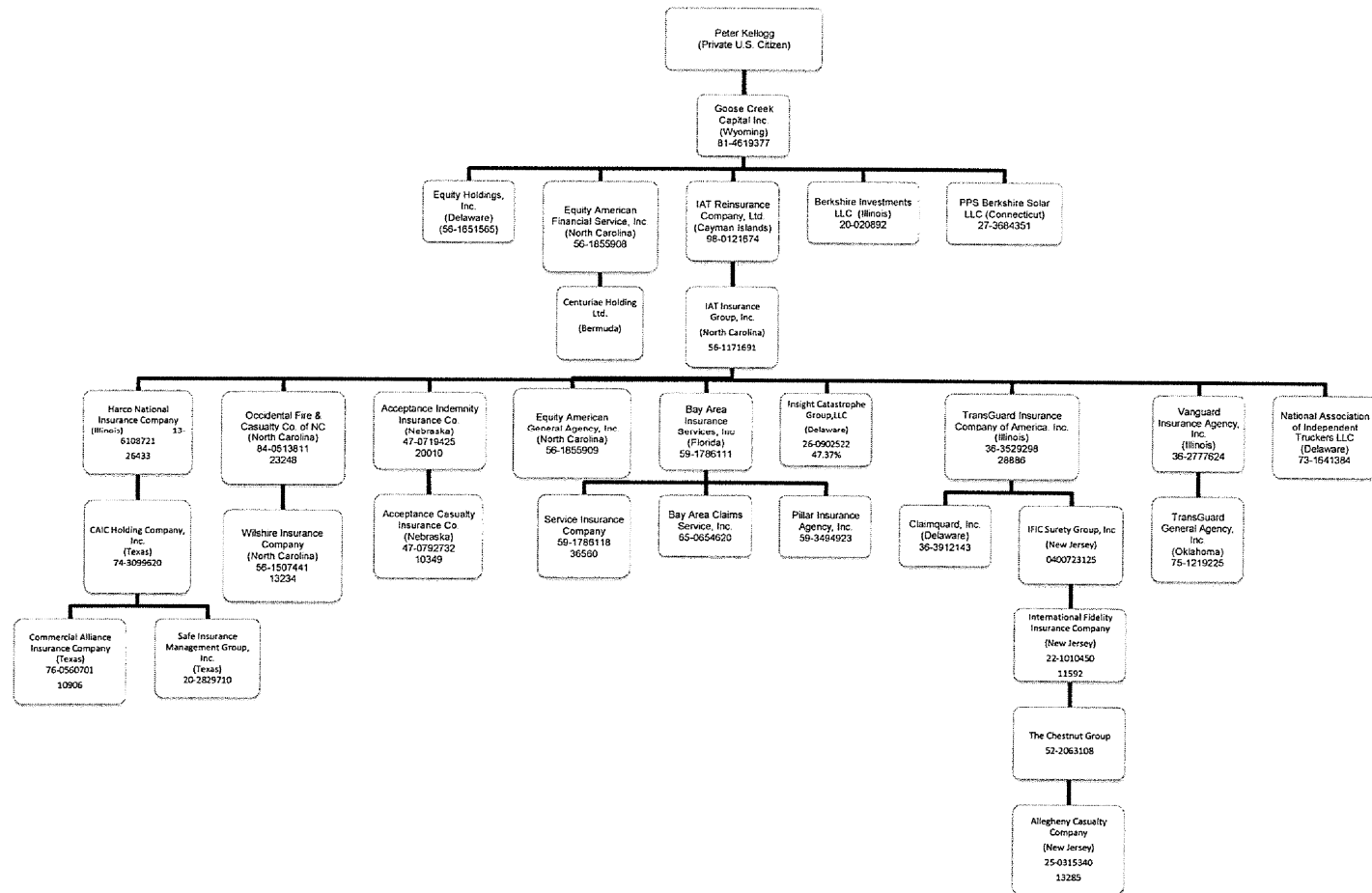
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	52
R - Registered - Non-domiciled RRGs	
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)	
Q - Qualified - Qualified or accredited reinsurer	
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile	
N - None of the above - Not allowed to write business in the state	5

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which;

PREMIUMS FOR JUDICIAL BONDS INCLUDING BAIL BONDS ARE ALLOCATED TO THE STATE IN WHICH THE COURT IS LOCATED AND LICENSE BONDS TO THE STATE IN WHICH THE OBLIGEE IS LOCATED. BONDS COVERING CONSTRUCTION WORK ARE ALLOCATED TO THE STATE IN WHICH THE WORK IS BEING PERFORMED. SUPPLY BONDS ARE ALLOCATED TO THE STATE IN WHICH THE CONTRACTOR IS LOCATED. PREMIUM FOR ALL OTHER TYPES OF SURETY BONDS ARE ALLOCATED TO THE STATE IN WHICH THE RISK IS LOCATED
PREMIUMS FOR FIDELITY BONDS ARE ALLOCATED TO THE STATE IN WHICH THE RISK IS LOCATED

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE ALLEGHENY CASUALTY COMPANY
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART - POST ACQUISITION



Property and Casualty
Annual Statement Blank Alphabetical Index

Assets	2	Schedule P - Part 1A - Homeowners/Farmowners	35
Cash Flow	5	Schedule P - Part 1B - Private Passenger Auto Liability/Medical	36
Exhibit of Capital Gains (Losses)	12	Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical	37
Exhibit of Net Investment Income	12	Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)	38
Exhibit of Nonadmitted Assets	13	Schedule P - Part 1E - Commercial Multiple Peril	39
Exhibit of Premiums and Losses (State Page)	19	Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence	40
Five-Year Historical Data	17	Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made	41
General Interrogatories	15	Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils) , Boiler and Machinery)	42
Jurat Page	1	Schedule P - Part 1H - Section 1 - Other Liability - Occurrence	43
Liabilities, Surplus and Other Funds	3	Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made	44
Notes To Financial Statements	14	Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	45
Overflow Page For Write-ins	100	Schedule P - Part 1J - Auto Physical Damage	46
Schedule A - Part 1	E01	Schedule P - Part 1K - Fidelity/Surety	47
Schedule A - Part 2	E02	Schedule P - Part 1L - Other (Including Credit, Accident and Health)	48
Schedule A - Part 3	E03	Schedule P - Part 1M - International	49
Schedule A - Verification Between Years	SI02	Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property	50
Schedule B - Part 1	E04	Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability	51
Schedule B - Part 2	E05	Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule B - Part 3	E06	Schedule P - Part 1R - Section 1 - Products Liability - Occurrence	53
Schedule B - Verification Between Years	SI02	Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made	54
Schedule BA - Part 1	E07	Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty	55
Schedule BA - Part 2	E08	Schedule P - Part 1T - Warranty	56
Schedule BA - Part 3	E09	Schedule P - Part 2, Part 3, and Part 4 - Summary	34
Schedule BA - Verification Between Years	SI03	Schedule P - Part 2A - Homeowners/Farmowners	57
Schedule D - Part 1	E10	Schedule P - Part 2B - Private Passenger Auto Liability/Medical	57
Schedule D - Part 1A - Section 1	SI05	Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical	57
Schedule D - Part 1A - Section 2	SI08	Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)	57
Schedule D - Part 2 - Section 1	E11	Schedule P - Part 2E - Commercial Multiple Peril	57
Schedule D - Part 2 - Section 2	E12	Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence	58
Schedule D - Part 3	E13	Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made	58
Schedule D - Part 4	E14	Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils) , Boiler and Machinery)	58
Schedule D - Part 5	E15	Schedule P - Part 2H - Section 1 - Other Liability - Occurrence	58
Schedule D - Part 6 - Section 1	E16	Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made	58
Schedule D - Part 6 - Section 2	E16	Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	59
Schedule D - Summary By Country	SI04	Schedule P - Part 2J - Auto Physical Damage	59
Schedule D - Verification Between Years	SI03	Schedule P - Part 2K - Fidelity/Surety	59
Schedule DA - Part 1	E17	Schedule P - Part 2L - Other (Including Credit, Accident and Health)	59
Schedule DA - Verification Between Years	SI10	Schedule P - Part 2M - International	59
Schedule DB - Part A - Section 1	E18	Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property	60
Schedule DB - Part A - Section 2	E19	Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability	60
Schedule DB - Part A - Verification Between Years	SI11	Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines	60
Schedule DB - Part B - Section 1	E20	Schedule P - Part 2R - Section 1 - Products Liability - Occurrence	61
Schedule DB - Part B - Section 2	E21	Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made	61
Schedule DB - Part B - Verification Between Years	SI11	Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty	61
Schedule DB - Part C - Section 1	SI12	Schedule P - Part 2T - Warranty	61
Schedule DB - Part C - Section 2	SI13	Schedule P - Part 3A - Homeowners/Farmowners	62
Schedule DB - Part D - Section 1	E22	Schedule P - Part 3B - Private Passenger Auto Liability/Medical	62
Schedule DB - Part D - Section 2	E23	Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical	62
Schedule DB - Verification	SI14	Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)	62
Schedule DL - Part 1	E24	Schedule P - Part 3E - Commercial Multiple Peril	62
Schedule DL - Part 2	E25	Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence	63
Schedule E - Part 1 - Cash	E26	Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made	63
Schedule E - Part 2 - Cash Equivalents	E27	Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils) , Boiler and Machinery)	63
Schedule E - Part 2 - Verification Between Years	SI15	Schedule P - Part 3H - Section 1 - Other Liability - Occurrence	63
Schedule E - Part 3 - Special Deposits	E28	Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made	63
Schedule F - Part 1	20	Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	64
Schedule F - Part 2	21	Schedule P - Part 3J - Auto Physical Damage	64
Schedule F - Part 3	22	Schedule P - Part 3K - Fidelity/Surety	64
Schedule F - Part 4	27	Schedule P - Part 3L - Other (Including Credit, Accident and Health)	64
Schedule F - Part 5	28	Schedule P - Part 3M - International	64
Schedule F - Part 6	29	Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property	65
Schedule H - Part 1 - Accident and Health Exhibit	30		
Schedule H - Part 2, Part 3, and Part 4	31		
Schedule H - Part 5 - Health Claims	32		
Schedule P - Part 1 - Summary	33		

Property and Casualty
Annual Statement Blank Alphabetical Index (cont.)

Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability	65	Underwriting and Investment Exhibit - Part 1B	8
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines	65	Underwriting and Investment Exhibit - Part 2	9
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence	66	Underwriting and Investment Exhibit - Part 2A	10
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made	66	Underwriting and Investment Exhibit - Part 3	11
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty	66		
Schedule P - Part 3T - Warranty	66		
Schedule P - Part 4A - Homeowners/Farmowners	67		
Schedule P - Part 4B - Private Passenger Auto Liability/Medical	67		
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical	67		
Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation)	67		
Schedule P - Part 4E - Commercial Multiple Peril	67		
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence	68		
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made	68		
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68		
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence	68		
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made	68		
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69		
Schedule P - Part 4J - Auto Physical Damage	69		
Schedule P - Part 4K - Fidelity/Surety	69		
Schedule P - Part 4L - Other (Including Credit, Accident and Health)	69		
Schedule P - Part 4M - International	69		
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property	70		
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability	70		
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines	70		
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence	71		
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made	71		
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	71		
Schedule P - Part 4T - Warranty	71		
Schedule P - Part 5A - Homeowners/Farmowners	72		
Schedule P - Part 5B - Private Passenger Auto Liability/Medical	73		
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical	74		
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Workers' Compensation)	75		
Schedule P - Part 5E - Commercial Multiple Peril	76		
Schedule P - Part 5F - Medical Professional Liability - Claims-Made	78		
Schedule P - Part 5F - Medical Professional Liability - Occurrence	77		
Schedule P - Part 5H - Other Liability - Claims-Made	80		
Schedule P - Part 5H - Other Liability - Occurrence	79		
Schedule P - Part 5R - Products Liability - Claims-Made	82		
Schedule P - Part 5R - Products Liability - Occurrence	81		
Schedule P - Part 5T - Warranty	83		
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical	84		
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation)	84		
Schedule P - Part 6E - Commercial Multiple Peril	85		
Schedule P - Part 6H - Other Liability - Claims-Made	86		
Schedule P - Part 6H - Other Liability - Occurrence	85		
Schedule P - Part 6M - International	86		
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property	87		
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability	87		
Schedule P - Part 6R - Products Liability - Claims-Made	88		
Schedule P - Part 6R - Products Liability - Occurrence	88		
Schedule P - Part 7A - Primary Loss Sensitive Contracts	89		
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts	91		
Schedule P Interrogatories	93		
Schedule T - Exhibit of Premiums Written	94		
Schedule T - Part 2 - Interstate Compact	95		
Schedule Y - Part 1 - Information Concerning Activities of Insurer Members of a Holding Company Group	96		
Schedule Y - Part 1A - Detail of Insurance Holding Company System	97		
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	98		
Statement of Income	4		
Summary Investment Schedule	SI01		
Supplemental Exhibits and Schedules Interrogatories	99		
Underwriting and Investment Exhibit - Part 1	6		
Underwriting and Investment Exhibit - Part 1A	7		